

AUSLEY McMULLEN

ATTORNEYS AND COUNSELORS AT LAW

123 SOUTH CALHOUN STREET
P.O. BOX 391 (ZIP 32302)
TALLAHASSEE, FLORIDA 32301
(850) 224-9115 FAX (850) 222-7560

April 9, 2021

ELECTRONIC FILING

Mr. Adam J. Teitzman, Commission Clerk
Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Docket 20210034-EI, Petition for Rate Increase by Tampa Electric Company

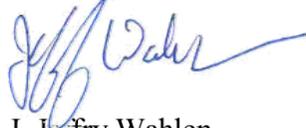
Dear Mr. Teitzman:

Attached for filing on behalf of Tampa Electric Company in the above-referenced docket is the Direct Testimony and Exhibit of William R. Ashburn.

Thank you for your assistance in connection with this matter.

(Document 23 of 34)

Sincerely,



J. Jeffrey Wahlen

JJW/ne
Attachment

cc: Richard Gentry, Public Counsel
Jon Moyle, FIPUG



**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

**DOCKET NO. 20210034-EI
IN RE: PETITION FOR RATE INCREASE
BY TAMPA ELECTRIC COMPANY**

**DIRECT TESTIMONY AND EXHIBIT
OF
WILLIAM R. ASHBURN**

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OF
WILLIAM R. ASHBURN

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1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 **PREPARED DIRECT TESTIMONY**

3 **OF**

4 **WILLIAM R. ASHBURN**

5
6 **Q.** Please state your name, business address, occupation, and
7 employer.

8
9 **A.** My name is William R. Ashburn. My business address is
10 702 North Franklin Street, Tampa, Florida 33602. I am
11 the Director, Pricing and Financial Analysis for Tampa
12 Electric Company ("Tampa Electric" or "company").

13
14 **Q.** Please describe your duties and responsibilities in that
15 position.

16
17 **A.** My present responsibilities include retail base rate design
18 and tariff administration; regulatory oversight of
19 conservation cost recovery clause, storm protection cost
20 recovery clause, DSM program development, Federal Open
21 Access Tariff formula rate updates, regulatory filings at
22 the Florida Public Service Commission regarding rates and
23 service programs; representation of the company in
24 rulemaking and workshop proceedings; and related matters.

25

1 **Q.** Please provide a brief outline of your educational
2 background and business experience.

3
4 **A.** I graduated from Creighton University with a Bachelor of
5 Science degree in Business Administration. Upon graduation,
6 I joined Ebasco Business Consulting Company where my
7 consulting assignments included the areas of cost
8 allocation, computer software development, electric system
9 inventory and mapping, cost of service filings and property
10 record development. I joined Tampa Electric in 1983 as a
11 Senior Cost Consultant in the Rates and Customer Accounting
12 Department. At Tampa Electric I have held a series of
13 positions with responsibility for cost of service studies,
14 rate filings, rate design, implementation of new
15 conservation and marketing programs, customer surveys, and
16 various state and federal regulatory filings. In March
17 2001, I was promoted to my current position of Director,
18 Pricing and Financial Analysis in Tampa Electric's
19 Regulatory Affairs Department.

20
21 **Q.** Have you previously testified before the Florida Public
22 Service Commission ("Commission")?

23
24 **A.** Yes. I have testified or filed testimony before this
25 Commission in many dockets. Most recently, I submitted

1 direct testimony in Docket No. 20200144-EI, petition for
2 limited proceeding to True-up First and Second Solar Base
3 Rate Adjustments. I also filed direct testimony in Docket
4 No. 20190136-EI, petition for limited proceeding to
5 approve Third Solar Base Rate Adjustment, effective
6 January 1, 2020, by Tampa Electric Company. I filed
7 testimony before this Commission in Docket No. 20180045-
8 EI, Consideration of the Tax Impacts Associated with Tax
9 Cuts and Jobs Act of 2017 for Tampa Electric and Docket
10 No. 20180133-EI, petition for limited proceeding to
11 approve second solar base rate adjustment ("SoBRA"),
12 effective January 1, 2019, by Tampa Electric Company. I
13 also testified before this Commission in Docket No.
14 20170260-EI, petition for limited proceeding to approve
15 first solar base rate adjustment, effective September 1,
16 2018, by Tampa Electric Company. I testified for Tampa
17 Electric in Docket No. 20170210-EI as a member of a panel
18 of witnesses during the November 6, 2017 hearing on the
19 2017 Amended and Restated Stipulation and Settlement
20 Agreement ("2017 Agreement"). I also testified on behalf
21 of Tampa Electric in Docket No. 20130040-EI regarding the
22 company's petition for an increase in base rates and
23 miscellaneous service charges and in Docket No. 20080317-
24 EI which was Tampa Electric's previous base rate
25 proceeding. I testified in Docket No. 20020898-EI

1 regarding a self-service wheeling experiment and in
2 Docket No. 20000061-EI regarding the company's
3 Commercial/Industrial service rider. In Docket Nos.
4 20000824-EI, 20001148-EI, 20010577-EI, and 20020898-EI,
5 I testified at different times for Tampa Electric and as
6 a joint witness representing Tampa Electric, Florida
7 Power & Light Company ("FP&L") and Progress Energy
8 Florida, Inc. ("PEF") regarding rate and cost support
9 matters related to the GridFlorida proposals. In
10 addition, I represented Tampa Electric numerous times at
11 workshops and in other proceedings regarding rate, cost
12 of service, and related matters. I have also provided
13 testimony and represented Tampa Electric before the
14 Federal Energy Regulatory Commission ("FERC") in rate and
15 cost of service matters.

16
17 **Q.** Please state the purpose of your direct testimony.

18
19 **A.** The purpose of my direct testimony is to present the
20 proposed rates and service charges that will produce the
21 company's proposed jurisdictional revenue requirement
22 increase of \$294,995 million. Specifically, I present the
23 following information:

24 1) Explanation of the proposed rate design for the
25 company's proposed service charges;

- 1 2) Explanation of the cost support and rate design for
2 the company's proposed lighting rates;
3 3) Explanation of the company's proposed base rate
4 structure modifications, rate designs, and rates;
5 and
6 4) Tariff schedules proposed to be approved which have
7 been revised to reflect these rate design changes.

8
9 **Q.** Have you prepared an exhibit to support your direct
10 testimony?

11
12 **A.** Yes, I am sponsoring Exhibit No. WRA-1 consisting of
13 three documents, prepared under my direction and
14 supervision. The contents of my exhibit were derived from
15 the business records of the company and are true and correct
16 to the best of my information and belief. These consist of:

- 17
18 Document No. 1 List Of Minimum Filing Requirement
19 Schedules Sponsored Or Co-Sponsored
20 By William R. Ashburn
21 Document No. 2 Development Of Proposed (Target) Base
22 Revenue Increase By Rate Class
23 Document No. 3 Summary Of Resultant Class Parity
24 Ratios

25

1 **Q.** Are you sponsoring any sections of Tampa Electric's Minimum
2 Filing Requirement ("MFR") Schedules?

3
4 **A.** Yes. I am sponsoring or co-sponsoring the MFR Schedules
5 shown in Document No. 1 of my exhibit. The data and
6 information on these schedules were taken from the business
7 records of the company and are true and correct to the best
8 of my information and belief.

9
10 **Q.** Are Tampa Electric's forecast of base revenues from the
11 sale of electricity and service charges, proposed rate
12 design, and rate schedules provided as part of Tampa
13 Electric's MFR Schedules?

14
15 **A.** Yes, they are provided within the portion of the MFR
16 Schedules designated Section E, "Rate Schedules." Volume
17 III contains the company's Lighting Incremental Cost Study
18 which is a supplement to MFR Schedule E-13d.

19
20 **Q.** What are the company's primary goals for the proposed cost
21 of service and rate design changes in this case?

22
23 **A.** There are two primary proposed structural changes that are
24 reflected in the rate design proposals of Tampa Electric
25 in this case. First is the proposed change to a daily basic

1 service charge rather than a monthly basic service charge.
2 Second is the closure of the IS rate schedules and opening
3 of two new sets of rate schedules – GSLD Primary and GSLD
4 Sub-transmission – to provide electric service to the
5 transferred IS customers as well as the largest primary and
6 sub-transmission served GSD customers. The two new sets of
7 GSLD rate schedules better recognize the cost of providing
8 service to customers taking service on the GSD schedules
9 at higher voltages.

10
11 **FORECAST OF BASE REVENUES AND SERVICE CHARGES**

12 **Q.** Did the company prepare a forecast of base revenues from
13 the sale of electricity for 2022? If so, how was the
14 forecast of base revenues derived?

15
16 **A.** Yes. The base 2022 sales revenue forecast for present and
17 proposed rates is summarized in MFR Schedule E-13a and
18 calculated in detail in MFR Schedules E-13c and E-13d. I
19 applied the rates currently in effect to the forecasted
20 billing determinants I received from Witness Cifuentes
21 to derive total annual base revenues forecasted for the
22 2022 test year before considering the proposed change in
23 rates.

24
25 **Q.** What is the projected retail billed electric revenue for

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2022?

A. The projected retail billed electric revenue shown in MFR Schedule E-13a for 2022 is \$1,167,379,000 under present rates and \$1,462,371,000 under proposed rates, an increase of \$294,992,000. Any difference shown on MFR Schedule E-13a from other presentations of these numbers is due to rounding.

Q. Did the company prepare a forecast of service charge revenues? If so, how was the forecast of service charge revenues derived?

A. Yes. The 2022 forecast of service charge revenues for present and proposed rates is presented in MFR Schedule E-13b. I applied the current effective rates to the forecasted billing determinants to derive service charge revenues under current charges. This represents the forecasted amount of service charge revenues before any proposed change to rates is considered. The company is proposing changes to the current levels of service charges which will produce lower revenues than under the current service charges as well as beneficial changes to conditions of providing such services for customers with meters that will now be remotely turned on and off as a result of the

1 Automated Metering Infrastructure ("AMI") conversion
2 project that Tampa Electric will have completed by the 2022
3 Test Year.

4
5 **Q.** What is the projected billed service charge revenue for
6 2022?

7
8 **A.** The projected billed service charge revenue shown in MFR
9 Schedule E-13b for 2022 is \$25,785,000 under present rates
10 and \$19,150,000 under proposed rates, a decrease of
11 \$6,635,000.

12
13 **Q.** What is the total amount of additional base revenues from
14 the sale of electricity and service charges that are
15 produced by the company's proposed rate design changes?

16
17 **A.** The total amount is \$294,992,000 in additional revenues
18 in 2022.

19
20 **RATE DESIGN CRITERIA AND OBJECTIVES**

21 **Q.** What criteria and objectives were used in designing the
22 new rate schedules and how were they used in the rate
23 design?

24
25 **A.** The basic criteria used in designing Tampa Electric's new

1 rate schedules included 1) cost to serve the various
2 classes, 2) rate history, 3) public acceptance of rate
3 structures, 4) customer understanding and ease of
4 application, 5) consumption and load characteristics of
5 the classes, and 6) revenue stability and continuity. This
6 Commission has recognized these criteria as good ratemaking
7 practices.

8
9 Cost to serve is a major consideration in rate design. The
10 use of derived unit cost is a major tool in the design of
11 the company's proposed rates. Tampa Electric witness
12 Lawrence J. Vogt, through his direct testimony, is
13 supporting the Tampa Electric proposed cost of service
14 study, which provides cost support for the rate design I
15 am proposing. Rate history is another important tool.
16 This includes understanding how Tampa Electric rates were
17 designed in the past, whether they achieved their intended
18 objectives and what rate structures have been successfully
19 applied in Florida and around the country by other
20 utilities. I have worked in the regulatory area at Tampa
21 Electric for over thirty years and am aware of the
22 company's rate history. In addition, I track rate
23 decisions made by the Commission that affect other
24 jurisdictional electric utilities and participate
25 frequently in EEI rate committee meetings where

1 alternative rate designs, as well as successes and failures
2 of such rates, are discussed. Public acceptance of rate
3 structures, customer understanding, and ease of application
4 are important considerations. I obtain information from
5 frequent contact with the company's customer service team
6 members and interaction with some customers that I factor
7 into my work. Class consumption and load characteristics
8 are used both within the Cost of Service Study supported
9 by Mr. Vogt as well as in the proposed design in developing
10 appropriate projected billing determinants to assure
11 successful recovery of revenue requirements. Revenue
12 stability and continuity are criteria that factor into the
13 rate design when selection of appropriate billing units to
14 apply under the rates is considered, as well as the
15 appropriate forecast of those billing units provided by
16 witness Cifuentes.

17
18 **Q.** With these criteria in mind, did the company have specific
19 objectives that were considered in the proposed rate
20 design?

21
22 **A.** Yes. First and foremost, the rates should be designed
23 for each rate schedule so that their application to the
24 test year billing determinants produces the target class
25 and the total required revenues. The company also had two

1 other specific objectives for the rate design in this case:
2 1) to create two new sets of GSLD rate schedules open to
3 all eligible customers which will reflect both the service
4 provided to these customers at higher voltage levels and
5 2) to change the basic service charge to a daily rather
6 than monthly basis to reduce the need for proration for
7 short and long bills and better assign cost responsibility
8 to rate collection.

9
10 **Q.** Did the company meet these objectives?

11
12 **A.** Yes. The proposed rates and tariffs incorporate both
13 additional specific objectives previously described and
14 produce the company's proposed revenue requirements.

15
16 **PROPOSED SERVICE CHARGES**

17 **Q.** What was the first step in designing rates and charges
18 to produce the company's revenue requirement?

19
20 **A.** The first step was to determine revenues from service
21 charges. Cost support for the development of service
22 charges is provided in MFR Schedule E-7. This cost support
23 formed the basis of the proposed changes in service charges
24 that are shown on MFR Schedule E-13b. In total, the
25 proposed changes produce \$6,635,000 in reduced revenue.

1 These revenues serve as a credit to offset a portion of
2 the revenue requirement that would otherwise increase
3 the company's base rates.
4

5 **Q.** What change in delivery of services to customers, which
6 result in collection of these service charges, has led to
7 such reduced revenues associated with them?
8

9 **A.** The company has replaced most of its meters with AMI meters
10 since the last time the Commission set the company's
11 service charges. The AMI system will be fully utilized
12 during the test year. This technology allows remote reading
13 and operation of the meters installed at the customer
14 premises and significantly reduces the need to roll trucks
15 into the field to affect certain actions, including
16 activation and deactivation of most meters for new and
17 existing customers. This reduced cost has been reflected
18 in the cost support for two of the charges that are assessed
19 for these services, allowing a significant reduction in the
20 proposed charges themselves as well as the revenues
21 collected from them. This is just one of the many customer
22 benefits that will result from this conversion. Tampa
23 Electric witness Regan B. Haines provides additional detail
24 regarding the customer benefits of the AMI system
25 conversion in his testimony.

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Q. What changes are being proposed for the company's service charges?

A. The cost support that is presented in MFR Schedule E-7 indicated that certain service charges should be increased in price to better reflect the cost of providing those services and best provide cost recovery for them, while one stays the same and two are greatly reduced as discussed above. The proposed service charges are shown on MFR Schedule E-13b column 2.

PROPOSED (TARGET) CLASS REVENUES

Q. After setting prices for service charges, what was the next step in designing rates?

A. Next, the company designed base rates to meet the proposed (target) class revenues. In designing new rates, the company first attempted to move unit prices toward unit costs for the various classes to determine parity. "Parity" is the comparison of the rate of return of a class to the system average rate of return. The term is used interchangeably with the term "rate of return index." Since parity is calculated by dividing the rate of return for a particular class by the system average rate of return,

1 a class with parity of 100 percent would be earning the
2 same rate of return as the system average, and a class
3 with parity below 100 percent would be earning less than
4 the system average. Parity is useful when determining the
5 development of class revenue targets associated with the
6 proposed base rate revenue increase.

7
8 **Q.** Please describe the procedure used to determine what
9 portion of the company's proposed (target) base rate
10 revenue increase was assigned to each rate class.

11
12 **A.** The focus in determining the portion of the company's
13 proposed (target) base rate revenue increase to be assigned
14 to each rate class is the proposed Cost of Service Study.
15 The Cost of Service Study utilized for this purpose is
16 discussed in the direct testimony of Mr. Vogt.

17
18 The first step in determining how much each rate class
19 should share in the company's total revenue increase (*i.e.*,
20 the shortfall between total revenue requirements and total
21 revenues under current rates) is to determine for each rate
22 class the shortfall between the costs allocated to that
23 class and the revenues produced by applying current rates
24 to the class's test year billing determinants. The next
25 step is to determine how much of each class's revenue

1 shortfall will be offset by revenues from Other Operating
2 Revenues that will occur as part of the proceeding (e.g.
3 any change in service charge revenues). Once the net
4 revenue deficiency of each rate class has been determined,
5 the final step is to identify whether any ratemaking policy
6 considerations should limit the amount of any rate class's
7 revenue increase. Where an increase limit is imposed on a
8 rate class, the other rate classes must make up the
9 deficiency. This deficiency is spread to those other rate
10 classes in proportion to their respective cost of service
11 requirement to the extent that this resultant increase does
12 not exceed an imposed limit.

13
14 The completion of this three-step procedure produces what
15 is referred to as the "target revenues" for each class. The
16 target revenue is the level of revenue that the rate
17 designer attempts to realize from a rate class through the
18 design of proposed rate charges as applied to test year
19 billing determinants.

20
21 **Q.** Did you prepare a document that develops the proposed
22 class target revenues using the procedure you have just
23 described?

24
25 **A.** Yes. Document No. 2 of my exhibit was prepared for that

1 purpose.

2

3 **Q.** Was it necessary to limit any class's rate increase from
4 being set at the increase indicated by the cost of service
5 study?

6

7 **A.** No. No limits were imposed.

8

9 **Q.** Have you combined the revenue requirements of the
10 Residential ("RS") and General Service Non-Demand ("GS")
11 rate classes for developing the target revenues for these
12 rate classes?

13

14 **A.** Yes. This is shown in Document No. 2 of my exhibit. It has
15 been the company's practice since 1982 to set the base rate
16 energy charges of the rate schedules associated with these
17 two rate classes to be at the same rate level, with the
18 only change to this practice being instituted in a prior
19 company rate proceeding where an inverted energy rate
20 design was adopted for the RS standard rate, while the
21 Energy Planner time-differentiated rate maintained an
22 energy rate at the same level as the GS standard energy
23 rate. This practice has led to combining the revenue
24 requirements of these two classes when apportioning target
25 revenues in rate proceedings.

1 **Q.** Have you combined the revenue requirements of the General
2 Service Demand ("GSD") and Interruptible Service ("IS")
3 rate classes for purposes of developing the target revenues
4 for these rate classes?

5
6 **A.** No. While Tampa Electric previously combined the revenue
7 requirements of the GSD and IS rates classes, the company's
8 rate proposal in this case is to create a new set of GSLD
9 rates to serve the customers previously served under the
10 IS rates and the largest sized, higher voltage served
11 customers from the GSD set of rate classes. In addition,
12 these customers are separated into two sets of rates, one
13 for primary served customers and the other for
14 subtransmission served customers. These two sets of GSLD
15 rates would retain their separation and the company would
16 target allocations of revenue increase and rate design for
17 them individually.

18
19 **Q.** Were you able to design proposed rates for each rate class
20 in order to produce each class's targeted revenues and
21 reflect the requested increase?

22
23 **A.** Yes. The result of this design is shown in Document No. 3
24 of my exhibit, which shows a comparison of each class's
25 target revenues and those revenues produced by the

1 application of the proposed charges. It shows that the
2 company's proposed revenues are equal to or very close to
3 target revenues for each class, and the company's proposed
4 revenues in total are within \$1,462,371 of its total target
5 revenue requirement. The exhibit also shows a comparison
6 of each class's proposed revenues to its revenue
7 requirement from the company's cost of service study and
8 each class' resultant rate of return under the proposed
9 rates. The company believes this exhibit demonstrates that
10 the company has designed its proposed rates based on cost
11 of service to the extent practical.

12
13 **RATE DESIGN**

14 **Q.** Please summarize the rate design changes or revisions the
15 company is incorporating in its proposed base rates.

16
17 **A.** In summary, the following two major changes are proposed:
18 a. The company proposed to change basic service charges
19 for all rate schedules, and the new proposed GSLD rate
20 schedules, from the existing monthly charge basis to a
21 daily charge basis that will utilize the days of billing
22 contained in each bill as the billing determinant.

23
24 b. The company proposes elimination of the "closed to new
25 business" IS rate schedules and transfer of the affected

1 metered accounts to the newly proposed GSLD Primary and
2 GSLD Subtransmission sets of rate schedules. The company
3 would also transfer GSD primary and sub-transmission
4 service metered accounts which exceed 1000 kW in demand to
5 these new rate schedules. In addition, because the new GSLD
6 sets of rate schedules are designed for service to only one
7 voltage level of service each, the company would eliminate
8 transformer ownership discounts and some meter level
9 discounts for those rate schedules.

10
11 **Q.** You indicated that you revised basic rate charges in the
12 various rate schedules in order that the proposed charges
13 would result in the target revenues. To accomplish this,
14 did you make any rate restructuring changes to any of your
15 rate schedules?

16
17 **A.** Other than the closing of IS rate schedules, opening of two
18 new GSLD rate schedules and change of basic service charge
19 to a daily basis, the company is not proposing any rate
20 restructuring changes. The company set the fixed Basic
21 Service Charge in each rate schedule at its unit cost from
22 the Cost of Service Study. The company revised the demand
23 and energy charges in each rate schedule to produce the
24 target revenues for each rate class. Tampa Electric also
25 continued prior Commission-approved and prescribed

1 practices to: (a) maintain the RS inverted energy rate with
2 a one cent inversion after the 1,000 kWh usage level, (b)
3 establish the GS energy rate at an effective RS average
4 rate, (c) maintain an optional GSD energy rate set at 120
5 percent of the GS energy rate, (d) establish time of use
6 energy and demand charges for the GST and GSDT rate
7 schedules in the manner previously adopted, and (e)
8 establish the standby rates in the manner prescribed by the
9 Commission for the design of standby rates.

10
11 **Q.** Can you provide a brief history of the rate treatment
12 afforded the current IS customers and why the company no
13 longer needs to recognize these customers as a separate
14 rate class for establishing their base rate charges but
15 proposes new GSLD rate classes for service to them and to
16 the larger GSD customers served at primary and
17 subtransmission voltage?

18
19 **A.** Yes. For many years Tampa Electric has established and
20 designed IS rate schedules to have lower base rate charges
21 than other customers to recognize their "interruptibility"
22 value. In Docket No. 080317-EI, the Commission approved a
23 rate restructuring for the closed IS rate schedules whereby
24 an IS customer's "interruptibility" would be treated as a
25 demand-side or load management program. As load management

1 participants, IS base rates were no longer required to be
2 set less than that of firm customers. Instead, the IS
3 customers receive interruptible demand credits for their
4 participation as load management customers, and these
5 credits are recovered from all customers through the ECCR
6 clause. The interruptible demand credits are the same
7 credits as had been previously established in Rate
8 Schedules GSLM-2 and GSLM-3, which were also applicable to
9 other general service demand customers desiring to be load
10 management participants.

11
12 **Q.** Why did the Commission close the company's IS rate
13 schedules to new customers?

14
15 **A.** Actually, the company's IS rate schedules were "closed to
16 new business" even before the 2008 base rate proceeding.
17 The IS-1 rate schedules were "closed to new business"
18 in 1985 and the IS-3 rate schedules were "closed to new
19 business" in 2000 when the GSLM-2 and GSLM-3 conservation
20 programs were opened. The Commission's decision in Docket
21 No. 080317-EI was a continuation of such closure for the
22 IS rate schedules. In that proceeding, the company sought
23 to permanently eliminate the already "closed" IS rate
24 schedules on the basis that they were no longer necessary
25 since interruptible service was openly available to any

1 customer under the company's GSD rate schedules who wished
2 to subscribe to the GSLM-2 or GSLM-3 rider as load
3 management program participants. However, the Commission
4 chose to maintain an IS rate class and accompanying rate
5 schedules for those remaining metered accounts being served
6 under the IS schedules and grandfathered them under the
7 then closed IS schedules.

8
9 **Q.** How would you describe the company's proposal in this
10 proceeding for treating customers being served under the
11 IS rate schedules?

12
13 **A.** The company proposes an approach to final closure of the
14 IS rate schedules by combining the remaining IS metered
15 accounts with comparable higher voltage served customers
16 from the GSD rate schedules to better reflect their load
17 characteristics as a class and their utilization of the
18 utility grid at higher voltage. The affected metered
19 accounts would be transferred to the new GSLD rate
20 schedules and continue to participate in the company's
21 GSLM-2 or GSLM-3 load management program riders and obtain
22 the same credits for interruptible service that they are
23 paid now. As with other customers on the GSLM-2 and GSLM-
24 3 riders, these transferred customers' loads will be
25 included in the company's biannual filed assessment of need

1 of non-firm electric service.

2

3 **Q.** Have you prepared any billing comparisons of the effect of
4 transfer of the IS metered accounts and the GSD metered
5 accounts being transferred to the proposed new GSLD rate
6 schedules?

7

8 **A.** Yes. MFR Schedule E-13C shows the billing impact for the
9 IS customers which are proposed to take service under the
10 new GSLD schedules as well as the GSD customers which are
11 similarly proposed to take service under the new GSLD
12 schedules.

13

14 **Q.** Other than the transfer of IS metered accounts and certain
15 GSD metered accounts to their applicable GSLD rate
16 schedule, will the company's proposed rate changes result
17 in any other customer transfers from one rate schedule to
18 another?

19

20 **A.** None are projected.

21

22 **Q.** Does Tampa Electric propose any changes to the charges
23 associated with Lighting Service Rate Schedule LS-1?

24

25 **A.** Yes. Those proposed changes are shown on MFR Schedule E-

1 13d. As the Commission is aware, Tampa Electric is
2 converting all its outdoor lighting equipment utilizing
3 High Pressure Sodium and Metal Halide fixtures to new
4 highly efficient Light Emitting Diode ("LED") outdoor
5 lighting facilities. As a result, the existing lighting
6 offerings for High Pressure Sodium and Metal Halide lights
7 are closed to new business. The company is conducting this
8 conversion as a conservation program with recovery of the
9 undepreciated plant balance of the existing facilities
10 through the conservation cost recovery clause.

11
12 The company will not complete the conversion project until
13 2023. As a result, the company proposes to retain the
14 existing lighting offerings for the High Pressure Sodium
15 and Metal Halide lights in the lighting tariffs and MFR
16 Schedules with an average rate increase applied to the
17 fixture rates. The company proposes to leave the operation
18 and maintenance charges for those lights at their current
19 levels. Once the conversion is completed in 2023, and the
20 company is no longer issuing bills for the affected closed
21 light offerings, Tampa Electric expects to make a filing
22 to remove those lighting offerings from the tariff at one
23 time.

24
25 As in the company's previous rate cases, the company

1 performed an incremental lighting study that is provided
2 as a supplement to the MFR Schedules. The company utilized
3 this study to determine the final rate proposals for the
4 lighting and pole offerings that remain open. The company
5 is not proposing any changes to the operations and
6 maintenance costs for the open LED rate schedules in this
7 rate case. The LED fixtures have not been in service long
8 enough for the company to determine whether the current
9 proposed operation and maintenance rates are no longer
10 appropriate.

11

12 **Q.** Does Tampa Electric propose any other miscellaneous tariff
13 changes?

14

15 **A.** Yes, along with tariff changes needed to accommodate the
16 two new GSLD rate schedules in many sections of the tariff,
17 some changes have been proposed within the definitions
18 section of the tariff and in Section 5 to make clearer
19 certain terms and conditions of service shown therein.

20

21 **Q.** Where can the results of the company's total rate design
22 be found?

23

24 **A.** The revenue distribution by rate schedule is shown on MFR
25 Schedule E-13a, supported by the detailed billing

1 calculations in MFR Schedules E-13c and E-13d. The effect
2 on customers' typical bills is shown on MFR Schedule A-2
3 and a comparison of present and proposed charges is shown
4 on MFR Schedule A-3.

5
6 **PARITY RESULTS OF PROPOSED RATE DESIGN**

7 **Q.** Does your proposed rate design move rates closer to parity
8 from a cost of service standpoint?

9
10 **A.** Yes. Document No. 3 of my exhibit presents the achieved
11 class revenue requirement indices. Overall, most rate
12 classes are reasonably close to parity. An index ratio of
13 1.00 indicates rates are set exactly on the cost of
14 service. A ratio of less than 1.00 indicates that class
15 is served below cost, and a class ratio of more than 1.00
16 indicates that class is served above cost.

17
18 **SUMMARY**

19 **Q.** Please provide a summary of the company's proposed rates
20 and Cost of Service Studies in this proceeding.

21
22 **A.** The support for, and design of, the proposed rates in the
23 case as presented in the MFRs and proposed tariffs meet the
24 company's primary goals as articulated previously in my
25 direct testimony. These rates are cost-based and reflect

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appropriately measured changes from the present rates that also reflect rate history, public acceptance of rate structures, customer understanding and ease of application, consumption and load characteristics of the classes, and will result in revenue stability and continuity.

Q. Does this conclude your direct testimony?

A. Yes, it does.

TAMPA ELECTRIC COMPANY
DOCKET NO. 20210034-EI
WITNESS: ASHBURN

EXHIBIT

OF

WILLIAM R. ASHBURN

Table of Contents

DOCUMENT NO.	TITLE	PAGE
1	List Of Minimum Filing Requirement Schedules Sponsored Or Co-Sponsored By William R. Ashburn	31
2	Development Of Proposed (Target) Base Revenue Increase By Rate Class - MFR Schedule E-5	33
3	Summary of Resultant Class Parity Ratios - MFR Schedule E-8	34

LIST OF MINIMUM FILING REQUIREMENT SCHEDULES
SPONSORED OR CO-SPONSORED BY WILLIAM R. ASHBURN

MFR Schedule	Title
A-02	Full Revenue Requirements Bill Comparison Typical Monthly Bills
A-03	Summary Of Tariffs
A-05	Interim Revenue Requirements Bill Comparison - Typical Monthly Bills
E-5	Source and Amount of Revenues - At Present and Proposed Rates
E-8	Company Proposed Allocation of the Rate Increase by Rate Class
E-13a	Revenue from Sale of Electricity by Rate Schedule
E-13b	Revenues By Rate Schedule - Service Charges (Account 451)
E-13c	Base Revenue By Rate Schedule - Calculations
E-13d	Revenue By Rate Schedule - Lighting Schedule Calculation

MFR Schedule	Title
E-14	Proposed Tariff Sheets And Support For Charges
E-14 Supp A	Support For Charges
E-14 Supp B	Support For Charges
E-15	Projected Billing Determinants - Derivation
F-08	Assumptions

SCHEDULE E-5 SOURCE AND AMOUNT OF REVENUES - AT PRESENT AND PROPOSED RATES
FLORIDA PUBLIC SERVICE COMMISSION EXPLANATION: Provide a schedule by rate class which identifies the source and amount of all revenue included in the Cost of Service Study. The base rate revenue from retail sales of electricity must equal that shown on MFR Schedule E-13a. The revenue from service charges must equal that shown on MFR Schedule E-13b. The total revenue for the retail system must equal that shown on MFR Schedule C-4.
COMPANY: TAMPA ELECTRIC COMPANY
DOCKET DOCKET No. 20210034-EI

Line No.	Source by Account Number	Description of Source	REVENUES in \$000's										Lighting Energy	Lighting Facilities
			Total Company	Wholesale	Total Retail	RS	GS	GSD	GSLDPR	GSLDSU	Lighting Energy	Lighting Facilities		
PRESENT RATES														
5	440-447	Sales of Electricity	\$ 1,167,433	\$ -	\$ 1,167,433	\$ 666,901	\$ 67,302	\$ 309,837	\$ 42,843	\$ 23,948	\$ 2,884	\$ 53,717		
7	451	Miscellaneous Service Charges	19,290	-	19,290	17,193	1,691	401	-	-	5	-		
9	454	Rent from Electric Property	13,935	62	13,874	8,723	678	3,876	495	20	82	-		
11	456	Other Electric Revenue												
12		Wheeling	7,642	7,642										
13		Plant Related	1,125	36	1,089	648	57	298	37	20	2	28		
14		Energy Related	413	0	413	203	20	149	23	16	2			
15		Unbilled Revenues	(35)	-	(35)	-	-	-	-	-	-	-		
17		Total Present Revenue	\$ 1,209,803	\$ 7,739	\$ 1,202,064	\$ 693,668	\$ 69,747	\$ 314,561	\$ 43,399	\$ 24,004	\$ 2,975	\$ 53,744		
PROPOSED RATES														
23	440-447	Sales of Electricity	\$ 1,462,371	\$ -	\$ 1,462,371	\$ 854,286	\$ 84,526	\$ 384,270	\$ 49,386	\$ 26,866	\$ 3,984	\$ 59,051		
25	451	Miscellaneous Service Charges	19,150	-	19,150	17,068	1,679	398	-	-	5	-		
27	454	Rent from Electric Property	13,935	62	13,874	8,723	678	3,876	495	20	82	-		
29	456	Other Electric Revenue												
30		Wheeling	7,642	7,642										
31		Plant Related	1,125	36	1,089	648	57	298	37	20	2	28		
32		Energy Related	413	0	413	203	20	149	23	16	2			
33		Unbilled Revenues	(44)	-	(44)	-	-	-	-	-	-	-		
35		Total Proposed Revenue	\$ 1,504,591	\$ 7,739	\$ 1,496,852	\$ 880,928	\$ 86,959	\$ 388,991	\$ 49,842	\$ 26,922	\$ 4,075	\$ 59,079		

Supporting Schedules: E-13a, E-13b, E-13c, E-13d Recap Schedules:

SCHEDULE E-8
FLORIDA PUBLIC SERVICE COMMISSION
COMPANY: TAMPA ELECTRIC COMPANY
DOCKET No. 20210034-EI

EXPLANATION: Provide a schedule which shows the company-proposed increase in revenue by rate schedule and Type of data shown: the present and company-proposed class rates of return under the proposed XX Projected Test Year Ended 12/31/2022
Projected Prior Year Ended 12/31/2021
Historical Prior Year Ended 12/31/2020
Witness: W. R. Ashburn

Type of data shown:
XX Projected Test Year Ended 12/31/2022
Projected Prior Year Ended 12/31/2021
Historical Prior Year Ended 12/31/2020
Witness: W. R. Ashburn

increase from service Projected Prior Year Ended 12/31/2020 charges by rate class does not equal that shown on Schedule E-13b or if the increase from sales of electricity does not equal that shown on Schedule E-13a, provide an explanation.

Line No.	Rate Class	(A) Proposed COS		(B) Present Revs Index	(C) Present Class Operating Revenue		(D) Dollars in Thousands		(E) Increase From		(F) Total Revenue Increase	(G) Proposed ROR (%)	(H) Proposed COS Index	(I) Percent Total Revenue Increase
		ROR (%)	Index		Present Class Operating Revenue	Revenue	Increase From Serv Charges and From Sales of Electricity	Unbilled Revenue	From Revenue					
1														
2	I. RS (a)	3.31%	0.85	\$ 684,062	\$ 187,260	\$ (4)	\$ 187,256				6.21%	0.93		27.4%
3														
4	II. GS (b)	4.47%	1.15	\$ 68,990	\$ 17,212	\$ 3	\$ 17,215				7.45%	1.12		25.0%
5														
6	III. GSD, SBF (c)	4.33%	1.11	\$ 310,239	\$ 74,430	\$ 26	\$ 74,456				6.88%	1.03		24.0%
7														
8	IV. GSDLPR (c)	4.98%	1.28	\$ 42,843	\$ 6,544	\$ (23)	\$ 6,521				6.74%	1.01		15.2%
9														
10	V. GSLSU (c)	5.37%	1.38	\$ 23,948	\$ 2,918	\$ (11)	\$ 2,907				6.83%	1.02		12.1%
11														
12	VI. LS-1													
13	a. Energy Service (d)	3.25%	0.83	\$ 2,889	\$ 1,100	\$ -	\$ 1,100				7.24%	1.09		38.1%
14	b. Facilities (e)	8.53%	2.19	\$ 55,717	\$ 5,334	\$ -	\$ 5,334				10.19%	1.53		9.9%
15	Total V.a. + V. b.	8.06%	2.07	\$ 56,606	\$ 6,434	\$ -	\$ 6,434				9.93%	1.49		11.4%
16														
17	Total Retail	3.90%	1.00	\$ 1,186,688	\$ 294,798	\$ (9)	\$ 294,789				6.67%	1.00		24.8%
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Justification for any class not left at system Rate of Return:

(a) RS class is minimally below the system Rate of Return; setting this class any higher would result in exceeding system revenue requirement.
(b) The GS class exceeds the system rate of return due to the rate design practice of setting the GS energy charges equivalent to RS flat rate energy charge.
(c) The GSD and new GSDL classes are set minimally above the system class rate of return.
(d) The revenue increase for the LS-1 Energy Service Class was set to an increase that was less than 10% above the system Rate of Return.
(e) The revenue increase for the LS-1 Facilities Class was limited to an increase that, combined with the Energy Services Class, did not exceed 1.5 times the system average increase.